



**COUNCIL OF  
THE EUROPEAN UNION**



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8585/09 (Presse 87)

## **Council decides to accelerate the spending of EU structural funds**

The Council adopted today<sup>1</sup> a regulation aiming at a quicker and more targeted use of EU structural funds in order to counter the economic crisis.

The main objective of this regulation is to facilitate the mobilisation of the European Social Fund (ESF) and the European Regional Development Fund (ERDF) and to accelerate herewith the impact of investments on the economy. Therefore member states get access to additional advance payments for an amount totalling EUR 6.3 billion. Up to EUR 1.8 billion of advance payments of the ESF will allow member states to reinforce their labour market policies, refocus support on the most vulnerable and step up action to boost skills. Up to EUR 4.5 billion of the ERDF are brought forward from 2010 and 2011 to 2009 in order to finance productive investment, investment in infrastructure and regional and local development.

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<sup>1</sup> By written procedure

# **P R E S S**

Furthermore, the new regulation increases the provision of assistance to member states by the European Investment Bank (EIB) and the European Investment Fund (EIF) in the implementation of operational programmes. In practice, it will be possible to award a contract directly to the EIB and EIF as financial entities recognised by the Treaty, when financial engineering operations are organised involving them as holding funds. In order to accelerate the implementation of major projects, expenditure for such projects which have not yet been approved by the Commission is allowed to be reimbursed.

The new regulation which amends regulation 1083/2006 on the ERDF, the ESF and the Cohesion Fund, provides also for a simplification of the rules. Contributions in kind, e.g. land for urban regeneration, can in future be declared as eligible expenditure in all cases that either create or contribute to a financial engineering instrument. State aid advances paid to beneficiaries will be allowed to reach 100% of the aid, rather than 35% as under the current rules. In accordance with the recommendation of the European Court of Auditors the eligibility of costs for ERDF and ESF is extended to lump sums, flat-rate and indirect costs.

The new provisions on contributions in kind and on the eligibility of lump sums, flat-rate and indirect costs apply retroactively from 1 August 2006. The other amendments enter into force on the day following its publication in the Official Journal of the European Union which is due for 8 April 2009.

The two other parts of the recovery package in the field of Cohesion Policy (which aim at a further simplification of the ESF operations and at a greater support to energy efficiency and renewable energy investments in housing) will probably be adopted in the coming weeks.

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